

ABSTRACT

The study was conducted on the SME (Small and Medium Industry) batik in Semarang. The research objective is to: (1) describe the general condition of batik in Semarang, (2) analyze the influence of factors of production such as fabrics, wax, dye medicine, labor and fuel for the production of batik, and (3) estimate the efficiency of production, prices and the economy batik SMEs in Semarang.

Respondents are SME entrepreneurs batik with the number of 41 people, the vast majority of their business is still relatively small scale. In this study, also conducted interviews with figures who understand the problems in batik business. Analysis of the data used are: (1) descriptive statistical analysis is used to describe the general condition of batik in Semarang, (2) regression analysis to determine the effect of input variables on output, (3) analysis of technical efficiency (with a Stochastic Frontier Production Function) and allocative and economic to find batik SMEs Semarang is run efficiently or not.

The results showed that the variables of fabrics, dyes medicine, and labor has a positive and significant impact on the production of batik, while variables wax and fuel has no significant effect. The level of technical efficiency in the research object is said to be efficient with an average rating of less than one (0.87). Analysis of allocative efficiency and economy suggests that the use of production factors is inefficient with values respectively 0.894 and 0.778. To achieve a more efficient outcome it is necessary to increase the input fabrics and dye medicines, a review of the use of wax and reduced fuel when necessary, as well as further guidance to the workforce.

Keywords: production, efficiency, SMEs, batik Semarang.